

Consolidated Budget and Accounting Service Level Agreement with Risk Management

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SLA - CBA

1. General Overview

This is a Service Level Agreement (SLA) between the Division of Risk Management and the Consolidated Budget and Accounting Services (CBA). The primary objective of this document is to establish clear expectations of the services that CBA provides, and how those services are delivered and measured to ensure a successful relationship between the CBA and Division partners. This SLA covers these areas:

- the accounting and budgeting services CBA provides to the division;
- the general levels of response, availability, and maintenance associated with these services;
- the responsibilities of CBA as a provider of these services and of clients receiving services;
- the processes for requesting services

This SLA covers the period from January 1, 2014 to June 30, 2014 and will be reviewed and revised at the end of this period or this SLA shall remain valid until revised or terminated.

CBA Contact Information

CBA Director:	Dave Williams
Phone:	801-538-3293
E-mail:	<u>ddwilliams@utah.gov</u>

CBA Approp. Budgets/Transaction Group	Loretta Tatum
Phone:	801-538-3160
E-mail:	<u>ltatum@utah.gov</u>

CBA Internal Service Fund:	Doug Stout
Phone:	801-538-3311
E-mail:	<u>dstout@utah.gov</u>

2. Service Description

2.1 Service Scope

All accounting and budgeting services will be provided to each division to take care of all business, operational and management needs. This is to include entry of all FINET transactions, budget preparation, budget forecasting/monitoring, monthly or quarterly reporting of cash flows, income and balance sheet statements as applicable, as well as fixed assets accounting and reconciliation.

2.2 Assumptions

- Services provided by CBA are clearly documented in the CBA service listing.
- Major budget and accounting projects other than those listed in the Service Listing will be treated as projects outside the scope of this agreement.
- Funding for major projects will be negotiated on a service-by-service basis.
- Changes to services will be communicated and documented in this SLA, to all stakeholders.
- Service will be provided in adherence to any related policies, processes and procedures.
- Scheduling of all service related requests will be conducted in accordance with this SLA.

2.3 Statement of Cooperation

- The CBA agrees to work collaboratively with all DAS Divisions to support the ongoing development and enhancement of accounting and budgetary procedures and to assist in the strategic planning and mission of DAS current and future operations.
- Division agrees to expend Division funding as specified by the Executive Director to implement and develop a shared services model for all budgetary and accounting transactions for the benefit of DAS.

2.4 Service Listing

- Monthly accounting report
- Collaboration reports and responses
- Budget start up - STARTS FY'15
- Budget request - STARTS FY'15
- Fiscal notes - STARTS FY'15, ASSISTANCE AS NEEDED
- Rates support - STARTS FY'15, ASSISTANCE AS NEEDED
- Budget briefs - STARTS FY'15
- Appropriations bill summary - STARTS FY'15
- DTS billing review - STARTS FY'15
- Rate/Fee schedule
- DAS internal billing
- Transaction input and processing
- Transaction approval where delegated by Division
- Vendor and customer set up
- Fixed Asset accounting
- All other processes, requirements, and information as annually requested by State Finance (all related items on the State Finance calendar and task list)
- ISF Billings
- All reconciliations and other general accounting services
- Attend management meetings of a division when requested/required

3. Roles and Responsibilities

3.1 Parties

The following Service Owner(s) will be used as the basis of the Agreement and represent the primary stakeholders associated with this SLA:

Stakeholder	Title / Role	*Contact Information
Kim Hood	Executive Director	801-538-1056
Rich Amon	Deputy Director / Executive Directors Office	801-538-3091
Ken Hansen	Division Director / Administrative Rules	801-538-3777
Kent Beers	Division Director / Purchasing and General Services	801-538-3143
Patricia Smith-Mansfield	Division Director / State Archives	801-531-3850
Josh Haines	Division Director / Facilities Construction and Management	801-538-3304
John Reidhead	Division Director / State Finance	801-538-3095
Sam Lee	Division Director / Fleet Operations	801-538-9675
Tani Downing	Division Director / Risk Management	801-538-9598
Lee Wyckoff	Inspector General of Utah	801-538-6856

- All parties recognize the interdependencies between one another and the need to work together as a seamless team in order to meet or exceed set expectations.
- The parties understand that the CBA cannot be expected to achieve stated performance targets in the event of failure by Division partners to undertake their defined responsibilities and/or maintain the reliable operation of Division owned/maintained systems that provide information to the CBA.

3.2 CBA Responsibilities

CBA responsibilities and/or requirements in support of this Agreement include:

- Provide the services described in this SLA and CBA product description (see page 8).
- Meet appropriate response times associated budget and accounting deadlines as set by State Finance.
- Comply with all GAAP (generally accepted accounting principles) standards as required by State Finance policies and procedures.
- Ensure appropriate internal controls are in place for accounting operations. Generating monthly and quarterly reports as needed and desired by divisions.
- Provide services in a cost effective way without compromising quality.
- Approve FINET transactions as customer directs.
- Evaluate processes on a regular basis to ensure continuous improvement in service effectiveness, efficiency and cost.

3.3 Customer Responsibilities

Customer responsibilities and/or requirements in support of this Agreement include:

- Provide accurate and reliable transactional documentation/information for CBA services (accounts payable/accounts receivable coding as needed, etc.)
- Provide all invoices to the CBA with correct account coding and indication of approval to pay
- Allow reasonable lead time when making requests
- Available when resolving a service related incident or request.
- Respond to inquiries and requests in a timely manner.

4. Requesting Service

CBA will be responsible to comply with all imposed standards of accounting and budgeting. Compliance with all regulations, policies and procedure of the State of Utah will be delivered with all products and services provided by CBA.

Division Management reporting standards will continue to be provided by CBA in the form that best meets the management teams' needs and desires on accounting and budgetary reporting. However, one of the goals of the CBA is to look for opportunities to standardize services across divisions or to make existing services more efficient. To that extent, the CBA may recommend changes in service levels to management.

4.1 Budget and Accounting requests - By utilizing the appropriate FINET coding for your division, your request will be automatically associated with your division.

4.2 Phone service is available during regular business hours. See CBA contact information in section 1

4.3 Email requests for service will be processed during regular business hours.

5. Hours of Service, Response Times & Escalation

The intent of this section is to assure delivery of prompt service as agreed, and the acceleration of support for high priority issues plus escalation procedures here.

5.1.1 Hours of Service

Regular DAS/CBA business hours will be 8am to 5pm Monday – Friday with the exception of public holidays in the State of Utah.

5.1.2 Response

3 business days maximum turnaround time for all standard FINET transactions with a turnaround goal of one business day. Unless otherwise disclosed or escalation in services is needed.

5.1.3 Prioritization

CBA will prioritize incoming transaction requests as “high” priority if it meets any one of the following criteria:

- The highest priority status will automatically be given to payments/transactions that are given discounts to the state, such as prompt payments discounts, discount period payments or any other payment that would save state funds.
- High priority status will be given for all end-of-year-payments to ensure that payments are made in the correct fiscal year to be in compliance with all State Finance Calendar deadlines.

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- Budgetary and Accounting Calendar deadlines.
- Significant impact on the delivery of services
- Significant risk to safety, law, rule, or policy compliance.

5.1.4 Escalation

If you are not satisfied with the level of service on a request please contact the CBA management:

CBA Approp Budgets/Transaction Group:

Phone: Loretta Tatum
801-538-3160
E-mail: ltatum@utah.gov

CBA Internal Service Fund: Doug Stout
Phone: 801-538-3311
E-mail: dstout@utah.gov

CBA Director: Dave Williams
Phone: 801-538-3293
E-mail: ddwilliams@utah.gov

6. Pricing

6.1 Rates Process

FY'14 costs will be charged out based on actual CBA staff hours collected for each Division Budget. The hours will be charged out based on the two hourly rates approved for the CBA ISF program for FY'14; Transaction Group staff \$37 per hour and Budget and Accounting services at \$60 per hour. The total estimated amount for the Division of Risk Management for FY'14 is \$5,000. Actual costs may vary from this estimate.

6.2 Additional Services

Charges for additional services beyond this SLA will be determined at the time of request for services by the Division. These services will be billed at the approved FY'14 dedicated credit rate times the hours for the service.

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7. Reporting, Reviewing and Auditing of this SLA

This Agreement is valid from the Effective Date outlined herein and is valid until the Date of Termination. The Agreement should be reviewed at a minimum once per fiscal year; however, in lieu of a review during any period specified, the current Agreement will remain in effect.

The Designated Review Owner ("Document Owner") is responsible for facilitating regular reviews of this document. Contents of this document may be amended as required, provided mutual agreement is obtained from the primary stakeholders and communicated to all affected parties. The Document Owner will incorporate all subsequent revisions and obtain mutual agreements / approvals as required.

Designated Review Owner: *John Reidhead*

Review Period: *Annually*

Previous Review Date: *June 2013*

Next Review Date: *July 2014*

This Agreement will be posted to the following location and will be made accessible to all stakeholders:

Document Location: *Finance Website - CBA section*

8. Verification and Agreement

The Division of Finance and the CBA agree that this Service Level Agreement, together with the associated product descriptions, constitute a binding agreement between both parties for the specified products and related services. The CBA agrees to provide the specified services for the Division as specified in the version of the product description current as of the date of this agreement, at the FY'14 prices noted in 6.1, and for the period specified. The Division agrees to pay for the services as specified.

Termination or Amendment

This agreement may be terminated only by mutual agreement. It may be amended if changes in circumstances warrant. Notice of intent to terminate this agreement or to negotiate amendments must be provided in writing to the other party at least 60 days in advance.

Division Representative

Signature

Name (printed):

Tani Downing
Tani Downing

Date

5/2/14

Title (printed):

State Resh Mgr.

CBA Representative

Signature

Name (printed):

David D. Williams
David D. Williams

Date

5/2/14

Title (printed):

CBA Director

9. DAS CBA Product Description

Appropriations Bills – Many appropriation bills are passed each legislative session. CBA will provide a compilation of these bills and the funding stated within in the bills to show funding levels at the program, division and department level.

Budget Brief – These documents state the status of budgetary concerns for the department. They state the department's needs, desires and wants with regard to budgetary items. These document also provide a snapshot of what is needed by the divisions and the department with regard to funding. Budget briefs are generally prepared at the direction of the Executive Director.

Budget Request – In order for the governor to give a proper and accurate budget proposal all divisions will need to set up a budget request for the given year. All budgets will be developed according to GOPB standards (Budget Prep). Each division will have all its programs budgeted down to the object code rounded to \$100. Supplemental to standard budget, preparation of ISF budget forms and schedules inclusive of Balance Sheet, Expense/Revenue, Cash Flow, Deficit Working Capital, etc., as required by GOPB and the Division of Finance.

Budget Start Up – At the beginning of each fiscal year, appropriation, revenue, expense, and beginning balance budgets will be set up in FINET correlated to the appropriations acts, done in accordance with state accounting policies.

Collaboration reports and responses – these reports and responses are varied by the nature of the request. Examples would be GOPB or the LFA requesting budget cuts and the possible effects of these budget reductions. Other examples would be phone or email responses to requests or questions from both within and outside of the department.

Close Out – In conformity with budget and accounting policies and procedures required by State Finance all accounts for a fiscal period will be reconciled and closed. This will show all expenditures for a given fiscal year, the related budget and all closing balances that will include all lapsing and non-lapsing balances for each division and as a department.

DAS Internal Billing – HR & PR, Liability insurance, Bus passes, Department conference costs, and similar items will all need to be billed out from the EDO office to divisions.

DTS billing review – a detailed review of the DTS charges by division. Learn and detect anomalies and variances in order to show discrepancies or incorrect billings.

Fiscal notes – A central person will coordinate Requests for fiscal notes, from the LFA. Requests will be distributed to the proper divisions for consideration. All requests are gathered and compiled, then analyzed and a best estimation of the cost associated to a bill will be returned to the LFA for their further consideration.

Fee schedule – This schedule will show all fees and rates for the entire department

Fixed Assets – An accounting of all fixed assets for each division will be updated according to State Finance schedule, to include monthly reconciliation, capitalization of fixed assets on FINET, and annual inventories.

Monthly Accounting Report – This document is to include a monthly summary of the expenses made by a division, the budget for each program, estimation of some future expenditures, personnel costs, actual vs. budgeted, remaining cash and projected close balance. In the case of the Internal Service funds, when required, these statements are to include a fully accrued Fund and revenue /expense report, comparing period and YTD budget to actual revenue/expense by object (revenue code). Also includes FINET reports such as AM01, AM02, AM31 & AM65. Reports to be distributed one week following the close of the prior month.

Rates support – Prepare pro forma financial exhibits for Rate Committee hearings. Provide rate-level activity reports and rate-change impact reports as required by the committee. Provide other financial information related to rates as requested by divisions.

10. Appendix A: Associated Policies, Processes and Procedures

Other processes will be added as they are developed.